

The Co-operative Group
Response

Draft Planning Policy
Statement: Eco-towns

Document 7

**The Co-operative Group Response to the
Leicestershire County Council Scrutiny Panel Report**

April 2009

an **ECO-TOWN**
for **LEICESTERSHIRE**

This report was sent to Leicestershire County Council in February 2009 in response to the Report of the Leicestershire County Council Scrutiny Review Panel

Report of the Scrutiny Review Panel on the Proposed Development of an Eco-town for Leicestershire (the eco-town)

A Critique by The Co-operative Group (the promoter)

1 Introduction

- 1.1 The promoters support the principle of the interrogation of the eco-town proposals by the Panel, through a series of submissions from stakeholders and the promoters, and the publication of its findings as a means of ensuring that people are informed about the proposals and that potential issues are highlighted for further consideration. They look forward to a continuing dialogue with the Panel as the proposals progress.
- 1.2 It would appear, however, that there are some inaccuracies and misunderstandings in the Report. This paper provides an overview of the promoter's concerns with the Report.

2.0 Summary

- 2.1 The Report appears to demonstrate a lack of understanding in respect of the Government and the promoter's commitments to support the consideration of the eco-town through the plan-led system.
- 2.2 The Report repeatedly cites a lack of detail on the proposals, which appears to demonstrate a lack of understanding, as the eco-town proposal is at an early stage and, if shortlisted by Government, will be worked up and scrutinised in progressively more detail as it is progressed through the planning system.
- 2.3 The Report appears to contradict itself, particularly in respect of its findings on the impact of the eco-town on regeneration and economic development as well as containing a number of factual inaccuracies. It is also noted that whilst the Report considers planning policy, there is no reference to the Leicestershire Sustainable Community Strategy, a key policy document adopted by the County Council and intended to deliver a number of key priorities within Leicestershire.

3.0 Planning Policy

Eco-towns assessment

- 3.1 The Report misunderstands the proposed process for assessing eco-towns. Government has proposed that eco-towns are considered through the normal planning process. The draft Eco-town Planning Policy Statement (PPS) states that 'eco-towns should be considered in the same way as any other development proposal. Government remains committed to the plan-led system and the preference is that the broad options for how best to meet housing need are explored in regional and local plans'. Whilst the Eco-towns PPS may identify locations considered to have the potential as eco-towns, it is the intention that these locations would be examined in more detail through the RSS and LDF processes and ultimately submitted as planning applications. There are therefore four stages at which these proposals will be scrutinised.

East Midlands Regional Plan

- 3.2 The Report incorrectly states that the eco-town site has been rejected in the preparation of the East Midlands Regional Plan (RSS). The RSS, which is currently at the Proposed Changes stage and nearing adoption, considered the prospect of a Sustainable Urban Extension in this location and not a new settlement or eco-town - so therefore considered an entirely different proposal to that currently proposed. In addition, the sustainability appraisal work carried out by Hyder and referenced in the Report specifically looked at the sustainability of Leicestershire Sustainable Urban Extensions. It should be noted that south east Leicestershire scored the same or better than the two SUE locations proposed in the RSS with the exception of transport infrastructure and access to employment activities, both of which have now been addressed in the Masterplan Vision. Secondly, the Proposed Changes, paragraph 4.2.29, does not state that the location is unacceptable for development. The location has not therefore been ruled out for development.

Housing solutions

- 3.3 The summary provided regarding the sequential approach to selecting housing land is wrong and fails to reflect national planning policy as set out in Planning Policy Statement 3: Housing (PPS3), which clearly outlines the possible housing solutions that should be considered, including the 'expansion of settlements through urban extension and the creation of free standing settlements'.

Government and promoter commitment to the normal planning process

- 3.4 The Report's conclusions on planning policy appear to ignore the Government's and the promoters' commitments to support the consideration of the eco-town through the regional plan and local plan review process. The distinction between a developer-led and plan-led proposal are also misleading as it suggests that the two processes are separate. All development is inevitably developer-led during the planning process and the majority of plans are directly influenced by the involvement of developers. Indeed, planning policy requires a close dialogue between planning authorities and developers in plan making to ensure that policy delivers proposals which are both sustainable and deliverable.

Relevance of current planning policy to future planning proposals

- 3.5 The Report mistakenly considers the proposals against current planning policies. The commitment to progression through the RSS and LDF processes means that existing policies will not be applied to a future planning application for an eco-town and therefore it is of little relevance to consider them.

4.0 Land Use and Densities

Land Use Form

- 4.1 The Report concludes that the eco-town is more like a Sustainable Urban Extension than an eco-town. This is incorrect. The proposal is a free standing settlement, providing its own services, infrastructure, employment, housing and surrounded by a Great Park. This is a fundamentally different concept to a Sustainable Urban Extension as defined by the County Council in its own assessment work for the last RSS review.

Eco-town boundary

- 4.2 The Report claims that the eco-town will be very urban in form, visually intrusive and out of character with the locality. The promoters would disagree with this assertion, which does not appear to be substantiated by reference to a landscape or visual assessment. The eco-town will change the landscape to a degree, however, the use of the Great Park for landscaping and boundary treatment and the high proportion of the town that will be dedicated to open space, at 30% of the gross development area, will create a form of development that is respectful of its setting.

Leicester Aeroclub

- 4.3 The Report comments on the impact of the eco-town on Leicester Aeroclub. The promoters have consistently stated that its discussions with the aeroclub are confidential to respect their position. They will not therefore comment on the findings in the Report.

5.0 Transport

Transport solution required for Leicester city region

- 5.1 On the basis of the Eco-town for Leicestershire Masterplan Vision and Transport Assessment, the promoters disagree with the Panel's opinion on its transport proposals. With or without the eco-town, significant public transport investment is required to support the city region as it delivers approximately 100,000 additional homes by 2026. A business as usual scenario cannot be followed as this will create grid lock and damage the city region's economic competitiveness. There is no approved or deliverable strategic transport policy within Leicestershire to address this challenge and the promoters consider that the eco-town transport solutions offers a realistic way of progressing such a strategy. Transport modelling work undertaken jointly by Leicestershire County Council, Leicester City, the Highways Agency and the promoters indicated that the transport solution proposed for the eco-town offered a viable solution with only a modest impact on the transport network. This indicates that the eco-town proposal does offer a viable way forward.

6.0 Housing

Housing need

- 6.1 The Report considers that there is less need for housing due to the current financial crisis and therefore there is no need to review RSS to increase the housing requirement in the region. This assertion is contrary to the intentions of the regional planning body, which has set out in its draft Project Plan for the Partial Review of RSS that irrespective of the current financial climate, there is a need to address household growth in the East Midlands in the long term and that planning should continue to address this need. The Report's author also confuses need and demand. Whilst it is recognised that purchase of new dwellings may fall as a result of increased difficulty in obtaining mortgages, this has no bearing of the number of households in housing need. The Report, however, states that housing need has fallen: this is not the case. In reality, the number of those in housing need is likely to rise, in contrast with market demand, due to increased financial difficulties. The Leicestershire Strategic Housing Market Assessment Final Report, December 2008 estimates that there is a shortfall of 2,654 units year in the delivery of affordable homes and that total need going forwards is 68% of the housing supply at the level of current RSS provision.

Deliverability of SUEs

- 6.2 If the deliverability of homes in the current financial crisis is to be questioned, this must also require an urgent reconsideration of the deliverability studies undertaken to identify SUEs that were proposed in the last review of RSS and which may come forward as part of local authorities' core strategies. The County Council undertook an assessment of the transport and other infrastructure costs associated with proposed Sustainable Urban Extensions (SUEs)¹, which assumed a residential land value of between £1 million and £1.1 million per hectare/acre must now be revisited to assess whether these sites are deliverable.

Housing allocations in Leicestershire

- 6.3 The Report states that sufficient land is already allocated to meet virtually all of the need in Leicestershire of 4,000 dwellings per annum between 2006 and 2026. This is incorrect and misleading. The Regional Plan Proposed Changes Policy 13 makes provision for 4,000 dwellings per year in Leicestershire, apportioning this across the Leicestershire authorities and setting targets for the proportion of housing to be provided within or adjacent to the Leicester Principal Urban Area. The policy makes provision for this allocation to be redistributed within the Housing Market Area through the delivery of joint core strategies, providing a degree of fluidity regarding each local authority's allocation. The broad location of SUEs is not included in the policy, which provides local authorities with a choice as to where they propose any required SUEs. None of the Leicestershire local authorities have yet adopted a Core Strategy allocating land for housing. Correspondingly, sufficient land has not yet been allocated to meet the regional housing requirement.

Eco-town is not excluded from development in RSS

- 6.4 The Report incorrectly states that the eco-town has been considered to be unsuitable in the preparation of the East Midlands Regional Plan (RSS). The RSS, which is currently at the Proposed Changes stage and nearing adoption, considered the prospect of a Sustainable Urban Extension in this location and not a new settlement or eco-town, so considered an entirely different proposal to that currently proposed: the sustainability appraisal work carried out by Hyder and referenced in the Report specifically looked at the sustainability of Leicestershire Sustainable Urban Extensions. Secondly, the Proposed Changes, paragraph 4.2.29, does not state that the location is unacceptable for development. The location has not therefore been ruled out for development.

Need in Pennbury locality

- 6.5 The Report specifies that there is no evidence of a need for housing emerging from the Pennbury locality. This demonstrates a basic and fundamental lack of understanding of how housing need is assessed. Housing need should be assessed on the basis of the Housing Market Area (HMA) and not assessed on a highly localised basis as is suggested in the Report. An HMA based approach is set out in national planning policy guidance (PPS 3: Housing) and in its accompanying best practice guidance, 'Strategic Housing Markets Assessments – Practice Guidance, 2007', HMSO.

¹ Further Assessment of Highways and Transportation Implications of Sustainable Urban Extensions at Selected Broad Locations in Leicestershire, Technical Report, April 2007

- 6.6 *Eco-towns are not 'uncharted territory'*
The Report describes eco-towns as 'uncharted territory' and claims that only one pilot eco-town should be brought forward at this stage. The promoters consider this to be a misguided view point. Eco-towns are new settlements. New settlements have been brought forward in the UK, their early form being Ebenezer Howard's garden cities, such as Welwyn and Letchworth and later form being the post-war new towns, of which there are successful examples, such as Milton Keynes. New settlements are also an established part of current national planning policy guidance² and are currently being brought forward in locations such as Northstowe in Cambridgeshire and Cranbrook in Devon. There are also international examples of new eco-towns and cities. Whilst these may not be directly replicable in the UK, they provide an extensive evidence base upon which to draw.

7.0 Community and Regeneration

Financial viability

- 7.1 The Panel questions the lack of financial information and the deliverability of the proposals. The County Council is aware through its involvement in the Joint Strategic Officers Group that government has instructed an independent team of consultants (Price Waterhouse Coopers) to undertake a financial assessment of eco-town bids and that the results of this work are due to be published in the coming months. Financial information regarding the viability of the scheme has not been shared with the Panel due to its commercial sensitivity and is not information which developers would share with local authorities as part of the normal planning process, although in exceptional cases, where schemes are marginal, an open book approach may be taken to the negotiation of section 106 agreements.

Level of detail

- 7.2 The Panel query the level of detail provided by the promoters on community infrastructure. The Report's author has failed to reflect that eco-towns are at an early stage. If shortlisted, proposals will require much greater analysis and discussion with stakeholders to evolve a masterplan through the normal planning process, which the Government and the promoters are committed to. The detail and clarity required by the Report's author would not be produced until the scheme reaches the planning application stage.

Inclusion of eco-town in RSS

- 7.3 There are factual inaccuracies in the Report's findings on regeneration. The Report states that it is unclear whether the 15,000 units proposed for the eco-town would be additional to the housing allocation in the RSS. The RSS is currently the subject of a Partial Review, which will increase the level of housing allocated within the East Midlands Region. Both the draft Eco-towns PPS (paragraph 2.5) and the draft RSS Partial Review Project Plan (paragraph 4.4) are clear that eco-towns will be considered as part of the normal planning process and the level of homes within the eco-town, if it was considered an acceptable proposal, would be included in the RSS allocation.

Level of self containment

- 7.4 The Report states that the eco-town proposals for office and retail are presented as self contained. Whilst it is considered that a high level of

² Planning Policy Statement 3: Housing

containment can be achieved, the town would not be self contained. This is unlikely to be achievable and would not achieve the regeneration benefits that have been proposed. The containment rate for employment is 60%. In respect of retail, the town would provide for day to day requirements with a mix of convenience and comparison floorspace but the level of comparison floorspace and the size of units would be kept to a level whereby residents would travel to higher order settlements, especially Leicester due to the rapid transport links, for major purchases.

Office and retail floorspace

- 7.5 The Report compares office and retail floorspace proposed for the eco-town in 20-25 years time (set out in superseded interim technical papers) with current retail floorspace at Fosse Park and Business Quarter proposals in Leicester city. This would appear to be a spurious comparison. It should also be noted that finance and business services floorspace proposed in the eco-town would be to serve the town only and would not compete with Class A offices proposed in Leicester's Business Quarter.

Leicester City Council

- 7.6 The Report fails to note or give any weight in its deliberations to Leicester City Council's conditional support for the eco-town proposal on the basis that it would appear to meet the five tests which it set.

Education and transport regeneration benefits

- 7.7 The Report discusses the housing and employment impacts of the eco-town but does not mention the education or transport benefits proposed and which were presented to the Panel by the promoters. Education benefits would include federation of the eco-town schools with schools in the wider region in order to share the eco-town schools resources and the aspiration to develop a second academy in Leicester city. Transport benefits include a rapid transit link into Leicester city centre and park and ride on the A6.

8.0 Environment

Level of detail

- 8.1 The Panel concludes that more detail will be required to demonstrate that the vision can be delivered. The Report's author has failed to reflect that eco-towns are at an early stage. The detail and clarity required by the Report's author would not be produced until the scheme progress through further levels of scrutiny at RSS and LDF stage and reaches the planning application stage.

9.0 Health and Wellbeing

Level of detail

- 9.1 The Panel concludes that more detail will be required about the proposed health facilities to be provided, their costs, implementation, maintenance and management. The Report's author has failed to reflect that eco-towns are at an early stage. The detail and clarity required by the Report's author would not be produced until the scheme progress through further levels of scrutiny at RSS and LDF stage and reaches the planning application stage. It should also be noted that the promoters have commenced discussions with the Primary Care Trust in respect of their proposals.

10.0 Food and Farming

Farmland land ownership in Leicestershire

- 10.1 The Report states that The Co-operative Group own over 50,000 hectares of farmland across the County. This is incorrect. The Co-operative Group owns approximately 1,700 hectares of farmland in Leicestershire, which forms part of a much larger portfolio of farmland in the UK.

11.0 Education

Eco-academy

- 11.1 As a point of clarification, the promoters intend that one of the two secondary schools in the eco-town would be an eco-academy and not 'an academy for sustainable technology'. The academy would have a strong environmental ethos and related courses in order to link with the growing need to develop skills around new sustainable technologies in the UK, reinforcing the links between education and business.

Delivery mechanism for schools and academies

- 11.2 The Report questions the promoters' understanding of the process for establishing schools and academies, however, it does not appear to contain accurate information regarding this process. It is not obligatory for the county council to be involved with the establishment and development of schools, although the promoters do look forward to engaging with the County on this matter. Due to the success of academies, Government is looking to roll the programme out across the country and there are likely to be opportunities for their establishment in locations which are not currently under-performing. It should also be noted that the County Council is not the local education authority within Leicester city: this point is not made clear in the Report, although it refrains from commenting on the feasibility of an eco-academy within the city.

Level of detail

- 11.3 Again, the Report claims that there is a lack of detail on the promoter's proposals. It should be re-iterated that eco-towns are at an early stage. The detail and clarity required by the Report's author would not be produced until the scheme progresses through further levels of scrutiny at RSS and LDF stage and reaches the planning application stage.

12.0 Employment and Economic Viability

Eco-town is not considered unsuitable for development in RSS

- 12.1 The Report is incorrect in stating that 'Pennbury area' has twice been ruled out as a suitable site for employment development partly because of its very poor links to the strategic road network'. Paragraph 4.2.29 of East Midlands RSS Proposed Changes does not state that development is unacceptable in this location. Consequently this area has not been ruled out for development. It should also be noted that the eco-town site was tested as an SUE and not a new settlement, Therefore, the current eco-town proposal has not yet been tested through the RSS process. As discussed in the housing section of this report, it is the promoters' intention, that if shortlisted, this proposal will be tested through the next review of RSS and the draft Project Plan for this review indicates that this is indeed the case. Employment land, as part of a new settlement proposal, will therefore emerge through the established planning process.

Regional Transport Strategy

- 12.2 The Regional Transport Strategy (RTS), part of the currently emerging RSS, was considered to be unsound by the EIP Panel partly because it was too dependant on road-based solutions (EiP Panel Report, November 2007): a new RTS will form part of the RSS Partial Review. Consequently, it is inappropriate for the eco-town site to be judged on the basis of links to the strategic road network when the next RTS will need to look at more sustainable transport solutions and hence for locations which meet these requirements. A rail freight hub is proposed for the eco-town post 2013 along with rapid transit and bus services to link the town with the Leicester city region and the rail network at Leicester station, and this would form a sustainable transport solution for employment locating within the town.

Economic strategy

- 12.3 The Report argues that no economic strategy has been provided and focuses on reasons why the eco-town would not attract jobs. As the Report has failed to note the economic strategy presented to them by the promoters, it is easy to see how it fails to understand how jobs would be provided in the town. The eco-town employment strategy is based on construction and inward investment, local procurement, innovation and entrepreneurship and is closely aligned with the Regional Economic Strategy.

Sustainable Construction Technologies

- 12.4 The Report appears conflicted and incomplete when addressing the promoter's proposal to attract jobs related to sustainable construction technologies (SCT's). It is sceptical that SCT's could be attracted, questioning policies endorsed by the County Council within the RES and Leicestershire Economic Strategy 'Leicestershire 2020 Vision', which promote the attraction of SCT's to the area. It argues that Loughborough is more likely to attract these jobs than Leicester, partly due to the University but fails to note that a strong specialism in sustainable construction technologies at De Montfort University in Leicester would also be a draw. It fails to comment that attraction of these firms within Leicestershire could be a benefit and that there could be scope for SCT's to develop in a variety of locations, including the eco-town. It argues in paragraph 126 that Leicester Science Park would be more likely to attract such firms but later in the paragraph argues that the eco-town would draw firms away from locating in the Science Park.

13.0 Energy and Climate Change

Flooding at Great Glen

- 13.1 The Panel concludes that downstream flooding at Great Glen could become a problem. The Report fails to reflect that there is already flooding at Great Glen and that Sustainable Urban Drainage Systems and the creation of wetland upstream of Great Glen are proposed, which will not only prevent any undue impact from the eco-town on Great Glen but could be a solution to existing flooding problems.

14.0 The Great Park

Maintenance and ownerships

14.1 The promoters note the Panel's comments that maintenance, management and ownership issues need to be addressed and measures introduced to prevent any future development in the Great Park. It has been proposed that the Eco-town Community Company would manage the Great Park; ownership issues would be a detailed matter that would be addressed as the proposal is progressed through the normal planning system and as the community company is established.

15.0 The Strategic Assessment

15.1 A copy of a summary critique of the Strategic Assessment is attached at Appendix 2.

16.0 Views of the Campaign to Protect Rural England (CPRE)

16.1 The Report includes a summary of CPRE's views on the eco-town. In including the views of one party who made a submission to the Panel and failing to produce a similar summary for all other parties, it is considered that the Report is incomplete and should include a summary of the submission of all other parties.